



# Redundancy Road Map



By Jane Purnell  and Mark Holzworth 

Being made redundant can be one of the toughest challenges of your working life. But by transforming a negative experience into a positive, redundancy can also be a key turning point in your career.

# Being made redundant

Being made redundant is about the job or position itself not being needed by the organisation in the future. It is not about the employee - therefore you are not redundant but rather the job role.



Redundancy can happen when the business:

- introduces new technology
- slows down due to lower sales or production
- closes down
- relocates interstate or overseas
- restructures or reorganises due to a merger or takeover.

While it may not feel this way at the time, redundancies can offer opportunities. The key is to manage the transition to your next job by developing a “redundancy road map”.

## It's not you

Don't take the redundancy personally. Redundancy can deliver a severe blow to your confidence and bring plenty of uncertainty about the future. You're probably going through a barrage of emotions: shock, denial, anger, worry, anxiety, doubt. Losing your job can impact your sense of well-being, negatively affect your mental health, relationships, and confidence.



But dwelling on the negatives can delay your return to the workforce. Remember, it is jobs which are made redundant, not people - and it is something that can happen to anyone through no fault of their own. As hard as it may be, taking a proactive approach is critical to making redundancy the start of a sea change in your life.

It's ok to ask for help and there are many support organisations ready and able to support you to stay positive during this time.



# Redundancy Cash Flow Management

Being made redundant can have a tremendous impact on your financial well-being. Especially if you receive a large redundancy payout, it can be an extended time before a regular wage or Centrelink benefit will start coming in. It's critical to manage your money wisely until you have a clearer idea of what the future holds.

Too often we see people with a sudden substantial influx of funds go straight and purchase a big screen TV or home furnishings, even a new car. A month or so later they realise they are short of finances and now very concerned about the future.



By developing a household budget that reflects your new circumstances you can relieve some of the financial concerns you may have. Remembering many utility suppliers like telephone and power companies will offer you terms to meet your payment obligations can relieve some pressure. Also, there are specialist organisations which offer financial help and assistance with meeting your expenses. It's essential to be proactive and to contact them early to find out how they can help.

# Get Advice



## Tax Advice

Work with your Accountant to be clear of the tax obligations with your redundancy payments. In many cases, the payment can be timed to minimise the tax paid. Also, not all parts of the payment are taxable. You may wish to maximise the tax-free part whilst obtaining other tax deductions to offset against the non-tax-free parts.

Effective tax planning can reduce the tax impost.

## Financial Advice

Financial advice can help you with prioritising the payments received. How much should be paid into superannuation? How much is used to reduce non tax-deductible debts? When, which and how much Centrelink benefit can be accessed? How to manage personal insurance commitments?

Your redundancy road map must include dealing with a broad array of financial matters.

## Legal Advice

You should be certain your payment is a legitimate redundancy and not masking an illegal termination. Its essential to look at it in the earliest stages rather than later. Many redundancy arrangements have proven, in fact to be illegal, which has then resulted in a further claim against the employer for unfair dismissal. Be sure your rights are protected!

Redundancy may also have personal succession (estate) planning implications which can be resolved with appropriate legal advice.

# A redundancy road map

Don't limit your career options to a role similar to the one you just left. If you believe your skillset is outdated or your skills lay in an area of work with poor long-term prospects, consider undertaking reskilling. Remember, this doesn't have to mean your existing skills are pointless – far from it. Many employers look for breadth as well as the depth of capabilities. However, it is essential to have the skills needed to find work in a growth industry.



If you're confident you have the skills to rebuild your career, be sure your redundancy plan lists all the ways you will look for that new job. Don't overlook your professional and social contacts. Many positions are hired by word of mouth, not advertisements so don't be afraid to spread the word that you are available for work. When you think about how many people you know, whether it's through your professional network or friends and family, there could be dozens of opportunities to secure a new job.



If your employer offers an outplacement service, make the most of what's available. Surviving redundancy is all about tapping into every possible resource.

## Update your resume

Invest time writing your resume.

Resume styles change over time so spend time deciding what layout suits you and your new job. Make sure you ask professional contacts and your former employer for a reference and have digital and hard copies of your professional qualifications ready to supply when asked.

## Change can be good

Be flexible when it comes to coping with change.

Being prepared to look outside your current industry or to take on interim or project work while looking for a permanent role can help you seize opportunities you may not have previously considered. Staying open to every possibility will help to get your career back on track.



## Stay positive

Being positive is as crucial as having the right qualifications when looking for a new job. You can't change the situation you're in, but you can change your attitude. If you adopt a positive mental attitude, this will rub off on others and at interviews. Don't fall into the trap of using your days to watch daytime TV and lounge around the house. The more purpose you can bring to your day, the more rewarded and wanted you will feel at the end of it.



When you need help at redundancy, Holzworth Partners group are the specialists to see. Incorporating all disciplines with our team of Accountants, Lawyers and Financial Advisers, Holzworth Partners is the solution you need.

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[www.holzworth.com.au](http://www.holzworth.com.au)

[info@holzworth.com.au](mailto:info@holzworth.com.au)

 1300 009 888

 @holzworthpartners

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